



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

November 5, 2002

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director *mon*

THRU: Wayne Hedberg, Permit Supervisor *W. Hedberg*

FROM: Doug Jensen, Senior Reclamation Specialist *D. Jensen*

RE: Request for Approval of Form and Amount of Replacement Reclamation Surety, Ziegler Chemical and Minerals Corporation, Ziegler Gilsonite Mines, M/047/013, Uintah County, Utah

The Division performed the standard five-year review of Ziegler Chemical and Minerals Corporation's (Ziegler) reclamation surety for their Ziegler Gilsonite Mines located in Uintah County, Utah. Based upon site inspections and information provided, in April, 2001, the Division requested the surety be escalated to year 2006 for the amount of \$400,600. Ziegler reviewed the Division's surety estimate and responded in July 2001 that they would work on updating the surety. When the September 11, 2001 tragedy struck our nation, Ziegler had further difficulty in obtaining a replacement surety and they requested an extension to submit the updated surety. On February 28, 2002, Ziegler provided a \$400,600 surety bond #L-012002-M/047/013 issued by Lyndon Property Insurance Company.

During the delay in obtaining the surety, Ziegler submitted an amendment for their Main #2 shaft, and later another amendment for their Sterling #1/Independent #2. After finalizing review of the information, the Division granted conditional tentative approval of the amendments on August 21, 2002, conditioned upon receipt of \$450,200 surety. The new surety amount was based on the additional disturbance regarding the amendments to the existing plan and the escalation of the bond, now to year 2007.

On October 21, 2002, Ziegler provided the Division with a replacement Reclamation Contract and surety bond rider increasing the bond from \$400,600 to the new amount of \$450,200. Corrections needed to be made to the rider. On November 1, 2002, we received the corrected surety bond rider showing the corrected acreage and the new dollar amount to year 2007. The surety company is on the federal register listing of acceptable bonding companies and has an A- rating.

If you are in agreement with the acceptance of the updated and replacement reclamation surety please sign and date the documents. We will then issue final Division approval for Ziegler's amendments to their existing mining and reclamation plan and replacement surety to year 2007. Thank you for your consideration of this request.

jb  
Enclosure: MR-RC, surety bond, rider & estimate  
O:\M047-Uintah\M0470013-Ziegler\Draft\Dir-sign-mem.doc

*Agree LP Braxton*  
*11-7-02*

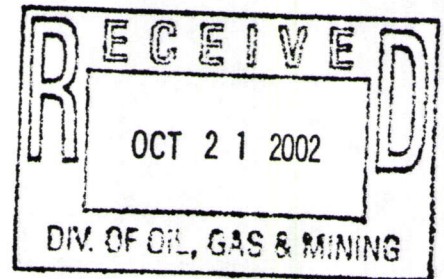
File Number M/047/013

Effective Date Nov 7, 2002

Other Agency File Number BLM & SITLA

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

RECLAMATION CONTRACT  
---ooOoo---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/047/013</u>
(Mineral Mined)	<u>GILSONITE</u>
"MINE LOCATION":	
(Name of Mine)	<u>ZIEGLER GILSONITE MINES</u>
(Description)	<u>SEE ATTACHMENT A</u>
	<u>UNDERGROUND MINES IN UINTAH COUNTY</u>
	<u>LOCATED NEAR BONANZA, UTAH</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>53.89 ACRES</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>ZIEGLER CHEMICAL &amp; MINERAL CORP.</u>
(Address)	<u>100 JERICO QUADRANGLE, SUITE 140</u>
	<u>JERICO, NEW YORK 11753</u>
(Phone)	<u>516 681-9600</u>



"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

MCKEACHNIE & ALLRED

GAYLE F. MCKEACHNIE  
121 WEST MAIN STREET  
VERNAL, UTAH 84078

435 789-4908

"OPERATOR'S OFFICER(S)":

GORDON ZIEGLER, JR./PRESIDENT  
STAN WAGNER/MANAGER/VERNAL, UTAH OF

"SURETY":

(Form of Surety - Attachment B)

RECLAMATION BOND (SURETY BOND)

"SURETY COMPANY":

(Name, Policy or Acct. No.)

LYNDON PROPERTY INSURANCE COMPANY  
BOND

"SURETY AMOUNT":

(Escalated Dollars)

\$450,200.00

"ESCALATION YEAR":

2007

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ZIEGLER CHEMICAL & MINERAL CORP. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/047/013 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated JULY 14, 1986, and the original Reclamation Plan dated JULY 14, 1986. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's



request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

ZIEGLER CHEMICAL & MINERAL CORP.

Operator Name

By GORDON S. ZIEGLER, JR.

Authorized Officer (Typed or Printed)

PRESIDENT

Authorized Officer - Position

[Signature]  
Officer's Signature

Date

10/9/02

STATE OF NEW YORK

COUNTY OF NASSAU

) ss:  
)

On the 9<sup>th</sup> day of October, 2002, GORDON S. ZIEGLER, JR.  
personally appeared before me, who being by me duly sworn did say that he/~~she~~ is the  
PRESIDENT of ZIEGLER CHEMICAL & MINERAL CORP. and duly  
acknowledged that said instrument was signed on behalf of said company by authority  
of its bylaws or a resolution of its board of directors and said GORDON S. ZIEGLER, JR.  
duly acknowledged to me that said company executed the same.

[Signature]  
Notary Public

Residing at

101 VILLAGE DRIVE  
SERICHO NY 11753

MARCH 30, 2006  
My Commission Expires:

**MADELEINE RADOFF**  
Notary Public, State of New York  
No. 30-4681509  
Qualified in Nassau County  
Commission Expires March 30, 2006



DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton  
Lowell P. Braxton, Director

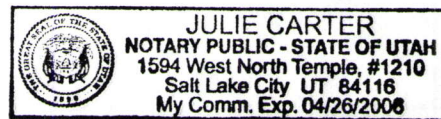
11-7-02  
Date

STATE OF Utah )  
 ) ss:  
COUNTY OF Salt Lake )

On the 7 day of November, 2002 Lowell P. Braxton  
personally appeared before me, who being duly sworn did say that he she, the said Lowell P. Braxton  
is the Director of the Division of Oil, Gas and  
Mining, Department of Natural Resources, State of Utah, and he she duly acknowl-  
edged to me that he/she executed the foregoing document by authority of law on behalf  
of the State of Utah.

Julie Carter  
Notary Public  
Residing at: Salt Lake

April 26, 2006  
My Commission Expires:



## ATTACHMENT "A"

ZIEGLER CHEMICAL & MINERAL CORP.

Operator

ZIEGLER GILSONITE MINES

Mine Name

M/047/013

Permit Number

UINTAH COUNTY, UTAH

## LEGAL DESCRIPTION

The detailed legal description of lands to be disturbed is:

<u>Mine Name</u>	<u>Legal</u>	<u>Acres</u>
Independent 2	T9S, R24E, Sec.16:SE1/4 of NE1/4	1.40
Independent 3	T9S, R24E, Sec.16:SE1/4 of NE1/4	1.38
Independent 4	T9S, R24E, Sec.16:SW1/4 of NE1/4	1.41
Independent 5	T9S, R24E, Sec.16:NW1/4 of NE1/4	1.20
Little Bonanza 1	T9S, R24E, Sec.16:SE1/4 of SE1/4	0.50
Little Bonanza 3	T9S, R24E, Sec.16:SW1/4 of SE1/4	1.14
Little Bonanza 8	T9S, R24E, Sec.16:SE1/4 of SE1/4	1.60
Little Bonanza 8A	T9S, R24E, Sec.15:SW1/4 of SW1/4	1.00
Little Bonanza 11	T9S, R24E, Sec.22:NE1/4 of NW1/4	1.01
Little Bonanza 12	T9S, R24E, Sec.22:NE1/4 of NW1/4	1.51
Main #1	T9S, R24E, Sec.15:SW1/4 of SW1/4	1.00
Main #2	T9S, R24E, Sec.22:NW1/4 of NW1/4	2.00
Little Emma 1	T9S, R24E, Sec.30:SE1/4 of SE1/4	1.10
Little Emma 7	T9S, R24E, Sec.30:NW1/4 of SE1/4	1.10
Cottonwood 1&2	T10S, R21E, Sec.29:NE1/4 of SE1/4	1.24
Cottonwood 3	T10S, R21E, Sec.29:SW1/4 of NW1/4 and T10S, R21E, Sec.30:SE1/4 of NE1/4	--- 1.50
Cowboy 1 - Federal	T8S, R21E, Sec.33:SW1/4 of SW1/4 of SE1/4	3.30
Cowboy Lots 2-1	T9S, R24E, Sec.4:NW1/4 of NE1/4	1.00
Cowboy Sections 4-3	T9S, R24E, Sec.4:NE1/4 of NE1/4	1.00
Cowboy North Vein 1	T9S, R24E, Sec.3:NE1/4 of NW1/4	2.00
Z1-95-1	T9S, R24E, Sec.16:NE1/4 of NW1/4 of NW1/4	4.55
Processing facility	T9S, R24E, Sec.22:NW1/4 of NW1/4 and T9S, R24E, Sec.15:SW1/4 of SW1/4 and T9S, R24E, Sec.16:SW1/4 of SE1/4	2.50 6.00 10.70
Sterling #1	T9S, R24E, Sec.16:NE1/4 of NE1/4 of SE1/4	2.75
<b>Total Disturbed</b>		<b><u>53.89</u></b>



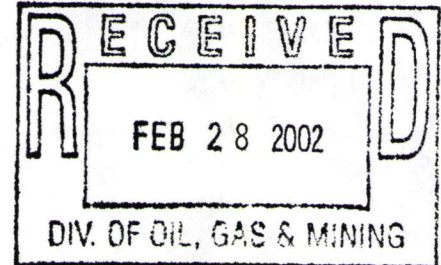
## ATTACHMENT B

FORM MR-6  
Joint Agency Surety Form  
(January 18, 2000)

Bond Number \_\_\_\_\_  
Permit Number M/047/013  
Mine Name Ziegler Gilsonite Mines  
Other Agency File Number \_\_\_\_\_

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**

**Division of Oil, Gas and Mining**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



### THE MINED LAND RECLAMATION ACT

#### SURETY BOND

\*\*\*\*\*

The undersigned ZIEGLER CHEMICAL & MINERAL CORP as Principal, and LYNDON PROPERTY INSURANCE COMPANY as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the USDOL-BUREAU OF LAND MANAGEMENT, in the penal sum of Four Hundred Thousand Six Hundred & No/100 \_\_\_\_\_ dollars (\$400,600.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of Oil, Gas and Mining on the 28<sup>th</sup> day of July, 1988, that 33.34 acres of land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

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MR-6  
Joint Agency Surety Bond  
Attachment B

Bond Number 0-2002-M/047/013  
Permit Number M/047/013  
Mine Number Ziegler Gisonite Mines  
Other Agency File Number BLM & SITLA

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

ZIEGLER CHEMICAL & MINERAL CORP  
Principal (Permittee)

GORDON S. ZIEGLER, Jr.

By (Name typed):

President  
Title

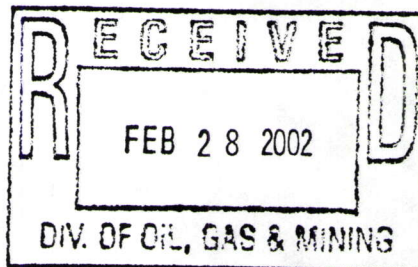
[Signature]  
Signature

LYNDON PROPERTY INSURANCE COMPANY  
Surety Company

Deborah A. Murphy  
Company Officer

Attorney-in-Fact  
Title/Position

[Signature]  
Signature



January 4, 2002  
Date

520 Maryville Centre Dr., Suite 500  
Surety Company Address

St. Louis, MO 63141-5814  
City, State, Zip

January 4, 2002  
Date



Page 3  
MR-6  
Joint Agency Surety Bond  
Attachment B

Bond Number \_\_\_\_\_  
Permit Number M/047/013  
Mine Number Ziegler Gisonite Mines  
Other Agency File Number BLM & SITLA

SO AGREED this 7th day of November, 2002.

Lowell P Braxton

Lowell P. Braxton, Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

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MR-6  
Joint Agency Surety Bond  
Attachment B

Bond Number  
Permit Number M/047/013  
Mine Number Ziegler Gisonite Mines  
Other Agency File Number BLM & SITLA

### AFFIDAVIT OF QUALIFICATION

On the 4<sup>th</sup> day of January, 2002, personally appeared before me Deborah A. Murphy who being by me duly sworn did say that he/she, the said Deborah A. Murphy is the Attorney-in-Fact of Lyndon Property Insurance Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Deborah A. Murphy duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Deborah A. Murphy  
Surety Officer

Title: Attorney-in-Fact

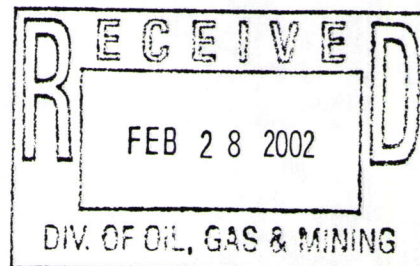
STATE OF Kentucky )  
 ) ss:  
COUNTY OF FAYETTE )

Subscribed and sworn to before me this 4<sup>th</sup> day of January, 2002.

Christine Stapleton  
Notary Public

Residing at: Lexington, Kentucky

My Commission Expires: 11-21-02





CORPORATE SURETY ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On this 4th day of January, 2002, personally came Deborah A. Murphy, Attorney-in-Fact of Lyndon Property Insurance Company to me known and known to me to be the individual described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

*Ernestine Stapleton*

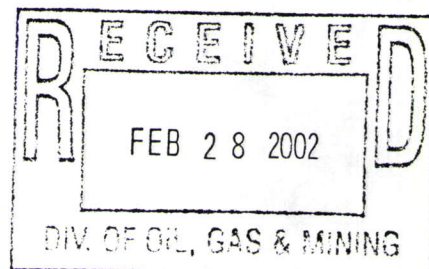
CORPORATE PRINCIPAL ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On this 4th day of January, 2002, before me personally came GORDON ZIEGLER SR to me known, who being by me duly sworn, did depose and say that he resided in DUTTON TOWN NY that he is the PRESIDENT of the ZIEGLER CHEMICAL the Corporation described in and which executed the above instrument; that he knew the seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

*1/4/02* *Madeline Radoff*

MADELEINE RADOFF  
Notary Public, State of New York  
No. 30-4681509  
Qualified in Nassau County  
Commission Expires March 30, 2002







LYNDON PROPERTY INSURANCE COMPANY  
520 MARYVILLE CENTRE DRIVE, SUITE 500  
ST. LOUIS, MISSOURI 63141-5814

POWER OF ATTORNEY

16-004

KNOWN ALL MEN BY THESE PRESENTS, that LYNDON PROPERTY INSURANCE COMPANY, a Missouri Corporation, having its principal office in St. Louis, Missouri pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 27<sup>th</sup> day of January, 1983.

RESOLVED, Pursuant to Section 3.1 and 4.12 of the By-laws, the following Rules shall govern the execution of the Corporation of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the President or any Vice President or Assistant Vice President, the Secretary or Assistant Secretary, the Treasurer or Assistant Treasurer or any Attorney-in-Fact may execute for and in behalf of the Corporation any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Secretary or Assistant Secretary, and the seal of the Corporation affixed thereto; and that the President, any Vice President or the Secretary or Assistant Secretary may appoint and authorize Attorneys-in-Fact to execute or to the execution of all such writings on behalf of the Corporation and to affix the seal of the Corporation thereto. The Secretary or Assistant Secretary may not both execute and attest the same bonds, undertakings, recognizances, contracts and other writings of the Corporation.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Corporation in any case as though signed by the President and attested by the Secretary.
- (3) The signature of the President, or any Vice President or Assistant Vice President, the Secretary or Assistant Secretary, or the Treasurer or Assistant Treasurer and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the certificate bearing such facsimile signature and seal shall be valid and binding on the Corporation.
- (4) Such Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-laws of the Corporation, and any affidavit of record of the Corporation necessary to the discharge of their duties.

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT: Lucy L. Parks, Stephen L. Helmbrecht, William H.M. Patterson, Deborah A. Murphy, Sue H. McMillen, Ernestine Stapleton

its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of redelegation as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust, guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed, provided the amount of no one bond exceeds Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00); and to bind LYNDON PROPERTY INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of LYNDON PROPERTY INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, LYNDON PROPERTY INSURANCE COMPANY of St. Louis, Missouri, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this 12<sup>th</sup> day of March, 1999.

State of Missouri  
County of St. Louis ss:



LYNDON PROPERTY INSURANCE COMPANY

BY: Roland G. Anderson  
ROLAND G. ANDERSON, President

On this the 12<sup>th</sup> day of March, 1999, before the subscriber, a Notary Public of the State of Missouri in and for the County of St. Louis, duly commissioned and qualified, came ROLAND G. ANDERSON of Lyndon Property Insurance Company to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal fixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument.

In Testimony Whereof, I have hereunto set my hand, and fixed my official seal at St. Louis, Missouri, the day and year above written.

MARIE E. DUFF  
Notary Public - State of Missouri  
County of Jefferson  
My Commission Expires 01/08/2002

I, Richard C. Hackett, Assistant Secretary of the Lyndon Property Insurance Company, do hereby certify that the foregoing is a true and accurate copy of a Power of Attorney, executed by said Lyndon Property Insurance Company which is still in full force and effect.

In Witness Whereof, I have hereunder set my hand and affixed the seal of said Corporation at St. Louis, Missouri, this 4<sup>th</sup> day of January, 2002.

State of Missouri  
County of St. Louis ss:



LYNDON PROPERTY INSURANCE COMPANY

Richard C. Hackett  
ASSISTANT SECRETARY



R I D E R

To be attached to and form part of Bond No. 1

Principal            **Ziegler Chemical & Mineral Corp**  
in favor of        **State of Utah, Department of Natural Resources,  
Division of Oil, Gas and Mining**

In consideration of the premium charged for the attached bond, it is agreed that:

1.    the coverage of the above described bond is increased:  
FROM:        Four Hundred Thousand Six Hundred Dollars (\$400,600.00)  
TO:            Four Hundred Fifty Thousand Two Hundred Dollars  
              (\$450,200.00)

2.    the total acres that will be affected by gilsonite mining and reclamation operations is increased:

FROM                33.34    acres  
TO                    53.89    acres

PROVIDED, however, that the attached bond as changed by this rider shall be subject to all its agreement, limitation and conditions, and that the liability of the surety under the attached bond as changed by this rider shall not be cumulative.

2. This rider shall become effective as of the 10th of October, 2002.

Signed, sealed and dated  
October 25, 2002

LYNDON PROPERTY INSURANCE COMPANY

By: Deborah A. Murphy  
Deborah A. Murphy, Attorney-in-Fact

Accepted:

By: L P Braft 11-7-02

RECEIVED

NOV - 1 2002

DIV. OF OIL, GAS & MINING



POWER OF ATTORNEY

16-004

KNOWN ALL MEN BY THESE PRESENTS, that LYNDON PROPERTY INSURANCE COMPANY, a Missouri Corporation, having its principal office in St. Louis, Missouri pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 27<sup>th</sup> day of January, 1983.

RESOLVED, Pursuant to Section 3.1 and 4.12 of the By-laws, the following Rules shall govern the execution of the Corporation of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the President or any Vice President or Assistant Vice President, the Secretary or Assistant Secretary, the Treasurer or Assistant Treasurer or any Attorney-in-Fact may execute for and in behalf of the Corporation any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Secretary or Assistant Secretary, and the seal of the Corporation affixed thereto; and that the President, any Vice President or the Secretary or Assistant Secretary may appoint and authorize Attorneys-in-Fact to execute or to the execution of all such writings on behalf of the Corporation and to affix the seal of the Corporation thereto. The Secretary or Assistant Secretary may not both execute and attest the same bonds, undertakings, recognizances, contracts and other writings of the Corporation.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Corporation in any case as though signed by the President and attested by the Secretary.
- (3) The signature of the President, or any Vice President or Assistant Vice President, the Secretary or Assistant Secretary, or the Treasurer or Assistant Treasurer and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the certificate bearing such facsimile signature and seal shall be valid and binding on the Corporation.
- (4) Such Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-laws of the Corporation, and any affidavit of record of the Corporation necessary to the discharge of their duties.

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT: Lucy L. Parks, Stephen L. Helmbrecht, William H. M. Patterson, Deborah A. Murphy, Sue H. McMillen, Ernestine Stapleton

its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of redelegation as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust, guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed, provided the amount of no one bond exceeds Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00); and to bind LYNDON PROPERTY INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of LYNDON PROPERTY INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, LYNDON PROPERTY INSURANCE COMPANY of St. Louis, Missouri, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this 12<sup>th</sup> day of March, 1999.

State of Missouri  
County of St. Louis ss:



LYNDON PROPERTY INSURANCE COMPANY

BY: Roland G. Anderson  
ROLAND G. ANDERSON, President

On this the 12<sup>th</sup> day of March, 1999, before the subscriber, a Notary Public of the State of Missouri in and for the County of St. Louis, duly commissioned and qualified, came ROLAND G. ANDERSON of Lyndon Property Insurance Company to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal fixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument.

In Testimony Whereof, I have hereunto set my hand, and fixed my official seal at St. Louis, Missouri, the day and year above written.

MARIE E. DUFF  
Notary Public - State of Missouri  
County of Jefferson  
My Commission Expires January 6, 2006

Marie E. Duff

I, Richard C. Hackett, Assistant Secretary of the Lyndon Property Insurance Company, do hereby certify that the foregoing is a true and accurate copy of a Power of Attorney, executed by said Lyndon Property Insurance Company which is still in full force and effect.

In Witness Whereof, I have hereunder set my hand and affixed the seal of said Corporation at St. Louis, Missouri, this 25<sup>th</sup> day of October, 2002.

State of Missouri  
County of St. Louis ss:



LYNDON PROPERTY INSURANCE COMPANY

Richard C. Hackett  
ASSISTANT SECRETARY



Reclamation Surety Estimate	DRAFT	last revision	2 Aug 2002
Ziegler Chemical & Mineral Corporation		page	
M/047/013	Utah County	page name "main_	"
Prepared by Utah Division of Oil, Gas & Mining		O:\BOND\DATA\BONDING\m47-13-5yr.wb3	
Reclamation Surety Estimate	DRAFT	last revision	2 Aug 2002
Ziegler Chemical & Mineral Corporation		page	10 of 13
M/047/013	Utah County, Utah	page name "main_calcs"	
Prepared by Utah Division of Oil, Gas & Mining		O:\BOND\DATA\BONDING\m47-13-5yr.wb3	

-Hours & acreage in this estimate are from the 1987 surety estimate & Ziegler 1-23-01 information.

-Unit costs in this estimate are from the Means Heavy Construction Cost Data 2000 & Rental Rate Blue Book.

-Productivity (# units) & tasks for I-2 reclamation were used as a template for the other site calculations.

-Costs to reclaim Additional disturbance at Main #2 mine – Aug 2, 2002

INDEPENDENT 2	1.4 acre			PATENTED	
<u>Structural Removal</u>	# units	units	\$/unit	\$	
50 ton crane+operator+oiler	10	hrs	244.21	2,442	
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050	
welder (equip)+welder+helper	10	hrs	111.74	1,117	
electrician	20	hrs	49.35	987	
pickup truck	10	hrs	22.08	221	
<u>Earthwork &amp; Grading</u>					
front end loader & operator	0	hrs	110.18	0	
motor grader & operator	10	hrs	96.83	968	
dump truck & operator	10	hrs	90.88	909	<=
backhoe & operator	10	hrs	87.97	880	
dozer & operator	8	hrs	226.10	1,809	
<u>Capping</u>					
concrete (in CY)	4	CY	90.00	360	
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050	
forms, etc. (SUM)	1	sum	250.00	250	
rebar (SUM)	1	sum	100.00	100	
<u>Revegetation</u>					
tractor + drill + operator	1.4	acre	83.45	117	
seed mix	1.4	acre	160.00	224	<=
fertilizer @ 200 lb/acre	1.4	acre	100.00	140	<=
Subtotal for this site				\$12,624	
Avg. cost per acre		\$9,017			

INDEPENDENT 3	1.38 acre				
<u>Structural Removal - NONE</u>	# units	units	\$/unit	\$	
50 ton crane+operator+oiler	0	hrs	244.21	0	
2 laborers @ 15 hrs/each	0	hrs	35.00	0	
welder (equip)+welder+helper	0	hrs	111.74	0	
electrician	0	hrs	49.35	0	
pickup truck	0	hrs	22.08	0	
<u>Earthwork &amp; Grading</u>					
front end loader & operator	0	hrs	110.18	0	
motor grader & operator	10	hrs	96.83	968	
dump truck & operator	10	hrs	90.88	909	
backhoe & operator	10	hrs	87.97	880	
dozer & operator	8	hrs	226.10	1,809	
<u>Capping</u>					
concrete (in CY)	4	CY	90.00	360	
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050	
forms, etc. (SUM)	1	sum	250.00	250	
rebar (SUM)	1	sum	100.00	100	
<u>Revegetation</u>					

tractor + drill + operator	1.38	acre	83.45	115
seed mix	1.38	acre	160.00	221
fertilizer @ 200 lb/acre	1.38	acre	100.00	138
			Subtotal for this site	\$6,800
Avg. cost per acre	\$4,927			

#### INDEPENDENT 4

1.41 acre

##### Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oiler	4	hrs	244.21	977
2 laborers @ 15 hrs/each	4	hrs	35.00	140
welder (equip)+welder+helper	2	hrs	111.74	223
electrician	0	hrs	49.35	0
pickup truck	0	hrs	22.08	0

##### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0	
motor grader & operator	10	hrs	96.83	968	
dump truck & operator	10	hrs	90.88	909	<=
backhoe & operator	10	hrs	87.97	880	
dozer & operator	8	hrs	226.10	1,809	<=

##### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

##### Revegetation

tractor + drill + operator	1.41	acre	83.45	118
seed mix	1.41	acre	160.00	226
fertilizer @ 200 lb/acre	1.41	acre	100.00	141
Subtotal for this site			\$8,150	

#### INDEPENDENT 5

1.2 acre

STATE LANDS

##### Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oiler	10	hrs	244.21	2,442
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	10	hrs	111.74	1,117
electrician	20	hrs	49.35	987
pickup truck	10	hrs	22.08	221

##### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

##### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

##### Revegetation



tractor + drill + operator	1.2	acre	83.45	100
seed mix	1.2	acre	160.00	192
fertilizer @ 200 lb/acre	1.2	acre	100.00	120
Subtotal for this site				\$12,555
Avg. cost per acre	\$10,463			

**LITTLE BONANZA 1(vent shaft) 0.5 acre** **VERIFY RECLAIMED 2.11 ACRES**

<u>Structural Removal</u>	<u># units</u>	<u>units</u>	<u>\$/unit</u>	<u>\$</u>
50 ton crane+operator+oiler	0	hrs	244.21	0
2 laborers	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	5	hrs	22.08	110

Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	5	hrs	96.83	484
dump truck & operator	5	hrs	90.88	454
backhoe & operator	5	hrs	87.97	440
dozer & operator	4	hrs	226.10	904

Capping

concrete (in CY)	4	CY	90.00	360
2 laborers	20	hrs	35.00	700
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

Revegetation

tractor + drill + operator	0.5	acre	83.45	42
seed mix	0.5	acre	160.00	80
fertilizer @ 200 lb/acre	0.5	acre	100.00	50
Subtotal for this site				\$3,975

**LITTLE BONANZA 3 1.14 acre** **STATE LANDS (PATENTED?)**

<u>Structural Removal</u>	<u># units</u>	<u>units</u>	<u>\$/unit</u>	<u>\$</u>
50 ton crane+operator+oiler	10	hrs	244.21	2,442
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	10	hrs	111.74	1,117
electrician	20	hrs	49.35	987
pickup truck	10	hrs	22.08	221

Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

Revegetation

tractor + drill + operator	1.14	acre	83.45	95
seed mix	1.14	acre	160.00	182
fertilizer @ 200 lb/acre	1.14	acre	100.00	114
			Subtotal for this site	\$12,534
Avg. cost per acre	\$10,995			

**LITTLE BONANZA 8** 1.60 acre ASSUMED ACREAGE - PATENTED

<u>Structural Removal</u>	# units	units	\$/unit	\$
50 ton crane+operator+oiler	10	hrs	244.21	2,442
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	10	hrs	111.74	1,117
electrician	20	hrs	49.35	987
pickup truck	10	hrs	22.08	221

Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

Revegetation

tractor + drill + operator	1.6	acre	83.45	134
seed mix	1.6	acre	160.00	256
fertilizer @ 200 lb/acre	1.6	acre	100.00	160
Subtotal for this site				\$12,692

**LITTLE BONANZA 8A** 1 acre ESCAPEWAY/VENTILATION

<u>Structural Removal - NONE</u>	# units	units	\$/unit	\$
50 ton crane+operator+oiler	0	hrs	244.21	0
2 laborers	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	0	hrs	22.08	0

Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

Revegetation



tractor + drill + operator	1	acre	83.45	83
seed mix	1	acre	160.00	160
fertilizer @ 200 lb/acre	1	acre	100.00	100
Subtotal for this site				\$6,669
Avg. cost per acre		\$6,669		

<b>LITTLE BONANZA 11</b>	<b>1.01</b>	<b>acre</b>		
<b>Structural Removal</b>		<b># units</b>	<b>units</b>	<b>\$/unit</b>
50 ton crane+operator+oiler		10	hrs	244.21
2 laborers @ 15 hrs/each		30	hrs	35.00
welder (equip)+welder+helper		10	hrs	111.74
electrician		20	hrs	49.35
pickup truck		10	hrs	22.08

**Earthwork & Grading**

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

**Capping**

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

**Revegetation**

tractor + drill + operator	1.01	acre	83.45	84
seed mix	1.01	acre	160.00	162
fertilizer @ 200 lb/acre	1.01	acre	100.00	101
Subtotal for this site				\$12,490

Avg. cost per acre \$12,366

<b>LITTLE BONANZA 12</b>	<b>1.51</b>	<b>acre</b>		
<b>Structural Removal</b>		<b># units</b>	<b>units</b>	<b>\$/unit</b>
50 ton crane+operator+oiler		10	hrs	244.21
2 laborers @ 15 hrs/each		30	hrs	35.00
welder (equip)+welder+helper		10	hrs	111.74
electrician		20	hrs	49.35
pickup truck		10	hrs	22.08

**Earthwork & Grading**

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

**Capping**

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

**Revegetation**

tractor + drill + operator	1.51	acre	83.45	126
seed mix	1.51	acre	160.00	242
fertilizer @ 200 lb/acre	1.51	acre	100.00	151
			Subtotal for this site	\$12,662
Avg. cost per acre	\$8,385			

MAIN #1	1	acre	BLM	VENT SHAFT
<u>Structural Removal - NONE</u>	<u># units</u>	<u>units</u>	<u>\$/unit</u>	<u>\$</u>
50 ton crane+operator+oiler	0	hrs	244.21	0
2 laborers	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	0	hrs	22.08	0

### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0	
motor grader & operator	10	hrs	96.83	968	<=
dump truck & operator	10	hrs	90.88	909	<=
backhoe & operator	10	hrs	87.97	880	
dozer & operator	8	hrs	226.10	1,809	<=

### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

### Revegetation

tractor + drill + operator	1	acre	83.45	83
seed mix	1	acre	160.00	160
fertilizer @ 200 lb/acre	1	acre	100.00	100
Subtotal for this site				\$6,669

MAIN #2	2	acre	PATENTED	VENT SHAFT
<u>Structural Removal - NONE</u>	<u># units</u>	<u>units</u>	<u>\$/unit</u>	<u>\$</u>
50 ton crane+operator+oiler	4	hrs	244.21	977
2 laborers @ 15 hrs/each	4	hrs	35.00	140
welder (equip)+welder+helper	4	hrs	111.74	447
electrician	4	hrs	49.35	197
pickup truck	4	hrs	22.08	88

### Earthwork & Grading

front end loader & operator	4	hrs	110.18	441
motor grader & operator	16	hrs	96.83	1,549
dump truck & operator	11	hrs	90.88	1,000
backhoe & operator	12	hrs	87.97	1,056
dozer & operator	8	hrs	226.10	1,809

### Capping - CAPPED

concrete (in CY)	0	CY	90.00	0
2 laborers @ 15 hrs/each	0	hrs	35.00	0
forms, etc. (SUM)	0	sum	250.00	0
rebar (SUM)	0	sum	100.00	0

### Hole Plugging



Concrete (CY)	2	CY	90.00	180
2 Laborers	2	hrs	15.00	30

### Revegetation

tractor + drill + operator	2	acre	83.45	167
seed mix	2	acre	160.00	320
fertilizer @ 200 lb/acre	2	acre	100.00	200
Subtotal for this site				\$8,601

Avg. cost per acre \$4,300

### **LITTLE EMMA -1 MIDDLE**

1.10 acre

#### Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oiler	10	hrs	244.21	2,442
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	10	hrs	111.74	1,117
electrician	20	hrs	49.35	987
pickup truck	10	hrs	22.08	221

#### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

#### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

### Revegetation

tractor + drill + operator	1.1	acre	83.45	92
seed mix	1.1	acre	160.00	176
fertilizer @ 200 lb/acre	1.1	acre	100.00	110
Subtotal for this site				\$12,521

Avg. cost per acre \$11,382

### **LITTLE EMMA -7**

1.1 acre

RECLAIMED ~1996 - INSPECT FOR RELEASE

#### Structural Removal - NONE

	# units	units	\$/unit	\$
50 ton crane+operator+oiler	0	hrs	244.21	0
2 laborers @ 15 hrs/each	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	0	hrs	22.08	0

#### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

#### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050

forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

### Revegetation

tractor + drill + operator	1.1	acre	83.45	92
seed mix	1.1	acre	160.00	176
fertilizer @ 200 lb/acre	1.1	acre	100.00	110
Subtotal for this site				\$6,703

Avg. cost per acre \$6,094

### **COTTONWOOD 1 & 2**

1.24 acre RECLAIMED - INSPECT FOR RELEASE

#### Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oilier	0	hrs	244.21	0
2 laborers @ 15 hrs/each	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	0	hrs	22.08	0

#### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

#### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

### Revegetation

tractor + drill + operator	1.24	acre	83.45	103
seed mix	1.24	acre	160.00	198
fertilizer @ 200 lb/acre	1.24	acre	100.00	124

Subtotal for this site \$6,751

Avg. cost per acre \$5,445

### **COTTONWOOD 3**

1.50 acre RECLAIMED - INSPECT FOR RELEASE

#### Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oilier	0	hrs	244.21	0
2 laborers @ 15 hrs/each	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	0	hrs	22.08	0

#### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

#### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050



forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

### Revegetation

tractor + drill + operator	1.5	acre	83.45	125
seed mix	1.5	acre	160.00	240
fertilizer @ 200 lb/acre	1.5	acre	100.00	150
Subtotal for this site				\$6,841
Avg. cost per acre		\$4,561		

### **COWBOY 1 FEDERAL**

**3.3 acre**

#### Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oiler	10	hrs	244.21	2,442
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	10	hrs	111.74	1,117
electrician	20	hrs	49.35	987
pickup truck	10	hrs	22.08	221

#### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

#### Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

#### Revegetation

tractor + drill + operator	3.3	acre	83.45	275
seed mix	3.3	acre	160.00	528
fertilizer @ 200 lb/acre	3.3	acre	100.00	330
Subtotal for this site				\$13,276

Avg. cost per acre \$4,023

### **COWBOY - LOTS 2-1**

**1 acre**

#### **PATENTED - OPEN CUT**

#### Structural Removal - NONE

	# units	units	\$/unit	\$
50 ton crane+operator+oiler	0	hrs	244.21	0
2 laborers @ 15 hrs/each	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	10	hrs	22.08	221

#### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	0	hrs	96.83	0
dump truck & operator	15	hrs	90.88	1,363
backhoe & operator	15	hrs	87.97	1,320
dozer & operator	12	hrs	226.10	2,713

#### Capping

concrete (in CY)	10	CY	90.00	900
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050

forms, etc. (SUM)	2	sum	250.00	500
rebar (SUM)	2	sum	100.00	200

### Revegetation

tractor + drill + operator	1	acre	83.45	83
seed mix	1	acre	160.00	160
fertilizer @ 200 lb/acre	1	acre	100.00	100
Subtotal for this site				\$8,610

Avg. cost per acre \$8,610

### COWBOY SECTIONS 4-3

#### Structural Removal - NONE

	1	acre	PATENTED - OPEN CUT	
	# units	units	\$/unit	\$
50 ton crane+operator+oiler	0	hrs	244.21	0
2 laborers @ 15 hrs/each	0	hrs	35.00	0
welder (equip)+welder+helper	0	hrs	111.74	0
electrician	0	hrs	49.35	0
pickup truck	40	hrs	22.08	883

#### Earthwork & Grading - OPEN CUT

front end loader & operator	50	hrs	110.18	5,509
motor grader & operator	0	hrs	96.83	0
dump truck & operator	10	hrs	90.88	909
backhoe & operator	100	hrs	87.97	8,797
dozer & operator	0	hrs	226.10	0

#### Capping -OPEN CUT

concrete (in CY)	167	CY	90.00	15,030
2 laborers @ 15 hrs/each	160	hrs	35.00	5,600
forms, etc. (SUM)	27	sum	250.00	6,750
rebar (SUM)	25	sum	100.00	2,500

### Revegetation

tractor + drill + operator	1	acre	83.45	83
seed mix	1	acre	160.00	160
fertilizer @ 200 lb/acre	1	acre	100.00	100
Subtotal for this site				\$46,321

Avg. cost per acre \$46,321

### COWBOY NORTH VEIN - 1

#### Structural Removal

	2	acre	BLM BOND VERIFY ACREAGE	
	# units	units	\$/unit	\$
50 ton crane+operator+oiler	10	hrs	244.21	2,442
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	10	hrs	111.74	1,117
electrician	20	hrs	49.35	987
pickup truck	10	hrs	22.08	221

#### Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	10	hrs	96.83	968
dump truck & operator	10	hrs	90.88	909
backhoe & operator	10	hrs	87.97	880
dozer & operator	8	hrs	226.10	1,809

#### Capping

concrete (in CY)	25	CY	90.00	2,250
2 laborers @ 15 hrs/each	40	hrs	35.00	1,400



forms, etc. (SUM)	5	sum	250.00	1,250
rebar (SUM)	5	sum	100.00	500

Revegetation

tractor + drill + operator	2	acre	83.45	167
seed mix	2	acre	160.00	320
fertilizer @ 200 lb/acre	2	acre	100.00	200
Subtotal for this site				\$16,470

Avg. cost per acre \$8,235

**ZI-95-1 4.55 acre NEED INSPECTION TO VERIFY CONDITIONS**Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oilier	10	hrs	244.21	2,442
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	10	hrs	111.74	1,117
electrician	20	hrs	49.35	987
pickup truck	10	hrs	22.08	221

Earthwork & Grading

front end loader & operator	0	hrs	110.18	0
motor grader & operator	25	hrs	96.83	2,421
dump truck & operator	10	hrs	90.88	909
backhoe & operator	0	hrs	87.97	0
dozer & operator	25	hrs	226.10	5,653

Capping

concrete (in CY)	4	CY	90.00	360
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
forms, etc. (SUM)	1	sum	250.00	250
rebar (SUM)	1	sum	100.00	100

Revegetation

tractor + drill + operator	4.55	acre	83.45	380
seed mix	4.55	acre	160.00	728
fertilizer @ 200 lb/acre	4.55	acre	100.00	455
Subtotal for this site				\$18,122

Avg. cost per acre \$3,983

**Sterling #1 (Independent #2 Escapeway) 2.75 Acres**Structural Removal

	# units	units	S/unit	\$
50 ton crane+operator+oilier	16	hrs	244.21	3,907
2 laborers @ 15 hrs/each	30	hrs	35.00	1,050
welder (equip)+welder+helper	40	hrs	111.74	4,470
electrician	0	hrs	49.35	0
pickup truck	40	hrs	22.08	883
crew Foreman	40	hrs	49.81	1,992

Earthwork & Grading

front end loader & operator	40	hrs	142.00	5,680
motor grader & operator	24	hrs	106.49	2,556
dump truck & operator	15	hrs	90.88	1,363
backhoe & operator	24	hrs	87.97	2,111
dozer & operator	0	hrs	226.10	0

Capping

carpenter foreman	40	hrs	49.81	1992
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concrete (in CY)	13.5	CY	90.00	1,215
2 laborers @ 15 hrs/each	80	hrs	46.70	3,736
forms, etc. (SUM)	52	sum	7.82	407
rebar (SUM)	44	sum	11.46	504

Revegetation

tractor + drill + operator	8	acre	83.45	668
seed mix	2.75	acre	160.00	440
fertilizer @ 200 lb/acre	2.75	acre	100.00	275
Subtotal for this site				\$33,250

Avg. cost per acre

\$12,091

Structural Removal

	# units	units	\$/unit	\$
50 ton crane+operator+oiler	40	hrs	244.21	9,768
2 laborers @ 15 hrs/each	80	hrs	35.00	2,800
welder (equip)+welder+helper	20	hrs	111.74	2,235
electrician	40	hrs	49.35	1,974
pickup truck	80	hrs	22.08	1,766

Earthwork & Grading

front end loader & operator	30	hrs	110.18	3,305
motor grader & operator	30	hrs	96.83	2,905
dump truck & operator	60	hrs	90.88	5,453
backhoe & operator	20	hrs	87.97	1,759
dozer & operator	30	hrs	226.10	6,783

Revegetation

tractor + drill + operator	0	acre	83.45	0
seed mix	0	acre	160.00	0
fertilizer @ 200 lb/acre	0	acre	100.00	0
Subtotal for this site				\$38,749

Avg. cost per acre

ERR

Project Supervision

500	48.25	\$24,125
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Mobilization

8	1,000	\$8,000
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**RECLAMATION SUMMARY ZIEGLER M/047/013**

2 Aug 2002

	SL BOND	\$	ACRES
Independent 2		12,624	1.40
Independent 3		6,800	1.38
Independent 4		8,150	1.41
Independent 5	SL BOND \$5,000 1,050	12,555	1.20
Little Bonanza 1		3,975	0.50
Little Bonanza 3		12,534	1.14
Little Bonanza 8		12,692	1.60
Little Bonanza 8a		6,669	1.00
Little Bonanza 11		12,490	1.01
Little Bonanza 12		12,662	1.51
Main #1		6,669	1.00
Main #2		8,601	2.00
Little Emma 1		12,521	1.10
Little Emma - 7		6,703	1.10
Cottonwood 1 & 2	SL BOND \$5,000 360	6,751	1.24
Cottonwood 3	SL BOND \$7,500 1,050	6,841	1.50
Cowboy 1 - Federal		13,276	3.30
Cowboy Lots 2-1		8,610	1.00
Cowboy sections 4-3		46,321	1.00
Cowboy North Vein 1		16,470	2.00
ZI-95-1		18,122	4.55
Sterling #1/ Independent #2 Escapeway		33,250	2.75
Processing facilities		38,749	19.20
Project supervision		24,125	NA
Mobilization		8,000	NA
subtotal		356,160	
Add 10% contingency		35,616	
subtotal		391,776	
Add 5 yrs escalation @ 2.82%		58,445	
TOTAL		450,222	

**ROUNDED TOTAL IN 2007- \$450,200**

total acreage = 53.89

overall avg. cost per acre = \$8,354